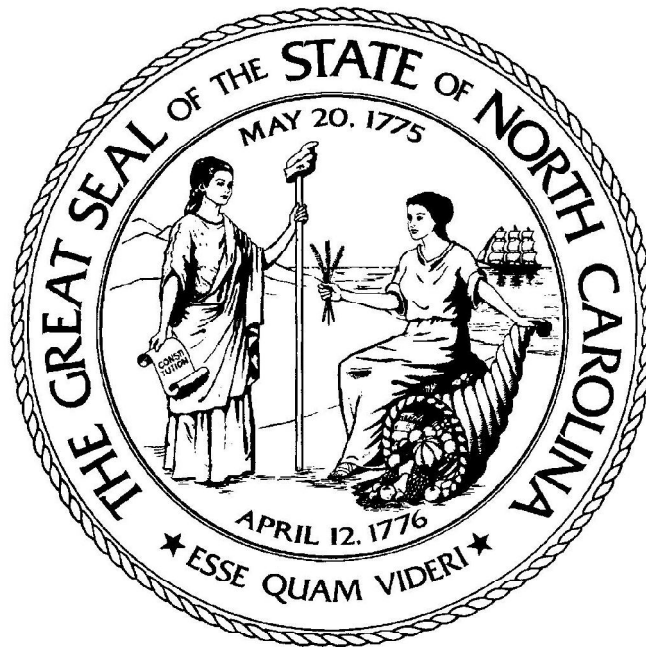


**JOINT LEGISLATIVE OVERSIGHT COMMITTEE
ON
MENTAL HEALTH, DEVELOPMENTAL DISABILITIES,
AND SUBSTANCE ABUSE SERVICES**



**REPORT TO THE 2011 REGULAR SESSION
OF THE
2011 GENERAL ASSEMBLY**

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***JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH,
DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES
State Legislative Building
Raleigh, North Carolina 27601***

Senator Martin Nesbitt, Co-Chair

Representative Verla Insko, Co-Chair

February 1, 2011

TO THE MEMBERS OF THE 2011 GENERAL ASSEMBLY:

The Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services submits this report for your consideration.

Respectfully,

Sen. Martin Nesbitt, Co-Chair

Rep. Verla Insko, Co-Chair

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ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES,
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PREFACE

The Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services (LOC) is established in Article 27 of Chapter 120 of the General Statutes. The LOC is charged with continually examining system-wide issues that affect the development, financing, administration, and delivery of mental health, developmental disabilities, and substance abuse services, including issues related to governance, accountability and service quality.

The LOC consists of sixteen members, eight appointed by the President Pro Tempore of the Senate and eight appointed by the Speaker of the House of Representatives. The members appointed by the President Pro Tempore must include all of the following: at least two members of the Senate Committee on Appropriations, the Chair of the Senate Appropriations Committee on Human Resources, and at least two members of the minority party. The members appointed by the Speaker of the House must include all of the following: at least two members of the House Committee on Appropriations, the Co-Chairs of the House of Representatives Appropriations Subcommittee on Health and Human Services, and at least two members of the minority party. Advisory members may also serve on the LOC. The Co-Chairs for 2010-2011 are Senator Martin Nesbitt and Representative Verla Insko.

COMMITTEE PROCEEDINGS

The Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services (LOC) met five times during the 2010-2011 interim. The LOC heard from the individuals listed below during the specified meeting dates. Detailed minutes and information from each LOC meeting are available in the Legislative Library.

September 8, 2010

- Lanier Cansler, Secretary, Department of Health and Human Services, provided a brief update on current issues.
- Lisa Hollowell, Fiscal Research Division and Joyce Jones, Bill Drafting Division, provided an overview of 2010 Legislative actions related to mental health.
- Dr. Craigan Gray, MD, Director, Division of Medical Assistance, Department of Health and Human Services, provided an update on expenditures and utilization tracking.
- Michael Watson, Deputy Secretary, Department of Health and Human Services, discussed community supports and gave an update on Critical Access Behavioral Health Agencies (CABHAs).
- Mark O'Donnell, Program Manager, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services gave a report on the status of the changes to Level III and IV facilities for children.
- Roy Wilson, Director, East Carolina Behavioral Health; Lisa Bonnett, Executive Director of the Recovery Education Unit, East Carolina Behavioral Health; and Cindy Ehlers, Assistant Area Director for Clinical Services provided information on the Second Mile Project.

October 13, 2010

- Dr. Craigan Gray, MD, Director, Division of Medical Assistance, Department of Health and Human Services, provided an update on expenditures and utilization tracking.

- Rose Burnette, DD Project Manager, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Health and Human Services provided an overview of the Supports Intensity Scale (SIS) assessment tool pilot.
- Beth Melcher, Ph.D., Assistant Secretary for Mental Health, Developmental Disabilities, and Substance Abuse Services Development, Department of Health and Human Services discussed independent assessments for mental health services.
- Luckey Welsh, Director of State Operated Services, Department of Health and Human Services provided an update on Dorothea Dix Hospital.
- Pam Silberman, JD, DrPH, President and CEO, Institute of Medicine, Publisher, NC Medical Journal presented an overview of national health reform and the impact of reform on mental health, developmental disabilities, and substance abuse services.
- Sabrina Russell-Holloman, Guilford Center Behavioral Health and Disability Services; Mary Lee, Transitional Living, Youth Villages; and Annie Smith, State Director, Youth Villages discussed the benefits of Youth Villages Transitional Living Program.
- Steve Jordan, Director, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Health and Human Services presented an analysis of the effectiveness of single stream funding.

November 9, 2010

- Lanier Cansler, Secretary, Department of Health and Human Services discussed the closure of Dorothea Dix Hospital.
- Kelly Crosbie, LCSW, Behavioral Health Manager, Division of Medical Assistance, Department of Health and Human Services provided an update on expenditures and utilization tracking.
- Mr. Mike Kupecki, Assistant Area Director, East Carolina Behavioral Health provided a brief history of the Treatment Accountability for Safer Communities (TASC).
- Michael Gray the Vice President of Region 3 TASC, Partnership for Drug Free NC, and Vice President of National TASC described the organization's

work with individuals with behavioral health issues involved in the criminal justice system.

- Karen V. Chapple, Executive Vice President of Coastal Horizons Center and Immediate Past President of National TASC provided an overview of the demographics of the clients served including their risks and needs.
- Mr. Mike Watson, Deputy Secretary for Health Services, Department of Health and Human Services gave an update on the success of three-way contracts between local hospitals, Local management entities (LMEs), and the Department of Health and Human Services.
- Steve Jordan, Director, Division of Mental Health, Developmental Disabilities, & Substance Abuse Services, Department of Health and Human Services presented an ICF-MR cost analysis and comparison with CAP/MR-DD services.
- Rose Burnette, Developmental Disabilities (DD) Project Manager, Division of Mental Health, Developmental Disabilities, & Substance Abuse Services, Department of Health and Human Services gave an overview of the DD Waiting List and an update on CAP-MR/DD Tiered Waivers.

December 8, 2010

- Lanier Cansler, Secretary, Department of Health and Human Services discussed ways the Department could achieve budgetary savings.
- Peter E. Rives, Care Coordination Manager, CenterPointe Human Services LME addressed post-hospitalization continuity of care.
- Luckey Welsh, Director of State Operated Facilities, Department of Health and Human Services and Dr. Jeff Holden, Special Services Director, Murdoch Center provided a presentation on State Operated Developmental Centers.
- Shawn Parker, Legislative Analyst, Research Division, provided members with an overview of previous presentations for their consideration in preparing the final report to the General Assembly in January.
- Beth Melcher, Ph.D, Assistant Secretary for Mental Health, Developmental Disabilities, and Substance Abuse Service Development, Department of Health and Human Services addressed Mobile Crisis services.

- Steve Jordan, Director, Division of Mental Health, Developmental Disabilities, & Substance Abuse Services, Department of Health and Human Services presented a follow up presentation on the ICF-MR cost analysis and comparison with CAP/MRDD services.
- Kelly Crosbie, LCSW, Behavioral Health Manager, Division of Medical Assistance, Department of Health and Human Services discussed changes to Medicaid Utilization Review and presented an update on the Medicaid Waiver for Traumatic Brain Injury.

January 12, 2011

- Lanier Cansler, Secretary, Department of Health and Human Services, presented the Department of Health and Human Services provided a brief update on current issues.
- Beth Melcher, Ph.D., Assistant Secretary for Mental Health, Developmental Disabilities and Substance Abuse Services provided an update on CABHAs.
- Ellen S. Holliman, Area Director, Durham Center discussed LME Medicaid Utilization Management.
- Deborah Carroll, Ph.D., Head of Early Intervention Branch, Women & Children's Health Section, Division of Public Health and Rose Burnette, DD Project Manager, Division of Mental Health, Developmental Disabilities & Substance Abuse Services presented an overview of residential services for children ages 0-6 with developmental disabilities.
- LOC staff presented a review of the LOC's draft report; the LOC adopted the report as amended.

COMMITTEE RECOMMENDATIONS

The Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services makes the following recommendations to the 2011 Session of the 2011 General Assembly:

1. Utilization Review by LME

The LOC recommends that the General Assembly enact legislation that requires the Department of Health and Human Services to provide a report, no later than September 2012, on the implementation of Utilization Review (UR) for the CAP-MR/DD waiver by four designated LMEs. The report must contain a cost comparison between the external contract and the LMEs to include training, monitoring and operation of the UR. The report must also include numbers of persons served and description of accountability measures to assure the accuracy of UR decisions.

[2011-MGz-13](#)

2. TBI Waiver

The LOC recommends that the General Assembly enact legislation that requires the Department of Health and Human Services, by October 2011, to develop and submit to CMS an application to operate a TBI Medicaid Waiver. The development of this waiver should be in concert and with the advice and guidance of the NC TBI Advisory Council. Funds sufficient to provide the match for this waiver are to be identified prior to the development of the waiver application and from those already appropriated state funds earmarked to be used to serve persons with TBI. Attention should be paid to the slot formula with regard to the funds available for this waiver.

[2011-MGz-14](#)

3. Local Inpatient Psychiatric Beds

The LOC recommends the General Assembly appropriate an additional \$10 million for the expansion of local inpatient psychiatric beds to allow purchase of additional beds out in the community. The Department of Health and Human Services must report on the number, use, and cost of these beds on a semi-annual basis beginning on October 1, 2012.

[2011-MGz-15](#)

4. Implementation of the CABHA Model

The LOC recommends the General Assembly enact legislation that requires Department of Health and Human Services to report to the LOC by July 1, 2011 on the criteria and process being used to evaluate the fiscal, organizational and programmatic efficacy of the implementation of the CABHA model. Beginning on October 1, 2011 and semi-annually thereafter, the Department of Health and Human Services must report to the LOC on the results obtained from these measures.

[2011-MGz-16](#)

5. Reports from the Department of Health and Human Services

The LOC recommends that the General Assembly enact legislation that directs the Department of Health and Human Services to develop and submit the following reports. All reports are to be provided to the LOC or any Committee that takes the place of the LOC:

- By September 1, 2011 the Department shall report on deaths that have occurred within state MH-DD-SA facilities, and, if known, the death of any former client of a facility who dies within 14 days of release from the facility
- Annually, beginning October 1, 2011, the Department must provide a status report on the expenditures and balance in the Mental Health Trust Fund
- Annually, beginning July 1, 2011, the Department must report on the strategic plan regarding how state and local resources shall be organized and used to provide services to persons with mental illness, developmental disabilities or substance abuse disease. The report must include criteria for the allocation of dollars, restrictions on how these dollars may be used, guidelines for utilization of funds and list of expenditures.
- Annually, beginning May 1, 2011, the Department shall collect and report on LME fund balances.
- Biannual report beginning January 1, 2012 the Department shall report on Statewide System Performance to include the following criteria:
 - Access to Services
 - Individualized Planning and Supports
 - Promotion of Best Practices
 - Consumer-Friendly Outcomes
 - Quality Management Systems
 - System Efficiency and Effectiveness
 - Equitable Allocation of Resources
 - Prevention and Early Intervention

- Statewide System of Crisis Response for Adults and Children
- Management of the Utilization of State Facilities

[2011-MGz-19](#)

6. Expansion of the 1915b/c Waiver

In the continuing effort to manage care and costs, the LOC recommends that the General Assembly enact legislation that requires the Department of Health and Human Services to continue the expansion of the B-C Medicaid waiver. The structure and operation of the waiver sites must be those that are allowable within Medicaid regulations and that are determined to cost the state the least and provide outcomes equal to or better than those achieved via the current system.

[2011-MGz-18](#)

7. Status and Use of Hospital Emergency Departments

The LOC recommends that the General Assembly enact legislation that requires the Department of Health and Human Services to provide to the LOC a comprehensive statewide report on the status of the use of hospital emergency departments by persons with mental illness no later than September 1, 2011. This report must include numbers of persons, geographic location, as well as average and range of length of stay. The report must also contain a comprehensive plan for the reduction in length of stay.

[2011-MGz-17](#)

8. Resource Allocation Plan for Persons with Developmental Disabilities

The LOC recommends that the General Assembly enact legislation to require the Department of Health and Human Services to provide a comprehensive plan for the fair and equitable allocation of resources for all persons with developmental disability by July 1, 2011. The allocation model shall be based on a reliable and valid statewide assessment of intensity of need of each person. These assessments must be administered by those who are not engaged in the delivery of services or who directly allocate resources. As part of the plan the Department shall include a standardized formula for the use of these data to determine eligibility for type and degree and array of services to include DD Center and private ICF-MR facilities. The Department shall renew the CAP-MR/DD waiver with the two currently operational tiers. The plan for allocation of resources shall begin implementation by January 1, 2012, and be fully implemented across the state no later than July 1, 2013. The Department

shall report to the LOC on the implementation process semi-annually beginning October 1, 2011.

[2011-MGz-23](#)

9. Residential Placements for Children with Developmental Delay or Intellectual and Developmental Disability Aged 0-6

The LOC recommends that the General Assembly enact legislation that requires the Department of Health and Human Services to report by September 1, 2011 to the LOC on a comprehensive review of the current congregate residential placements for children with developmental delay or intellectual and developmental disability aged 0-6 to include the newly transferred DD Center ICF-MR beds. This report must include an overview of all service options for this group of children now and as they move through school age.

[2011-MGz-24](#)

10. Revise Developmental Disabilities Waiting List Process

The LOC recommends that the General Assembly enact legislation that requires the Department of Health and Human Services to revise the Developmental Disabilities Waiting List process to assure that results of the process yield a simple, non-duplicated count of children and adults with ID/DD across the state waiting for federally and state-funded services. The list must be research-based to assure that the data collected reflect an accurate picture of those waiting for the categories of services currently available in NC. The collected data must show the number of persons who are *potentially* eligible for the CAP-MR/DD waiver. The Department of Health and Human Services must report to the LOC on the revised process for collection of this data no later than September 1, 2011. The Department of Health and Human Services must report annually to the LOC beginning September 30, 2012 using the data collected to determine geographic, age, and disability service gaps, and report on plans to address any gaps.

[2011-MGz-25](#)

11. Step-down Unit for the BART Program

The LOC recommends that the General Assembly enact legislation that directs the Department of Health and Human Services to coordinate with the leadership of the Murdoch Developmental Center and its advisory committee to identify funding for the implementation of a step-down unit for the BART program. A report on the progress toward identifying funding and moving

forward to develop this step-down unit shall be provided to the LOC on October 1, 2011 and quarterly thereafter until the unit is established.

[2011-MGz-26](#)

12. Uniform Use of Evidence-Based Practices Across All State Operated Psychiatric Hospitals

The LOC recommends that the General Assembly enact legislation that requires the Department of Health and Human Services to report by September 1, 2011, and annually thereafter, to the LOC on the progress in the uniform use of evidence-based practices across all state operated psychiatric hospitals.

[2011-MGz-27](#)

13. DHHS Report on Clubhouse Model

The LOC recommends that the General Assembly enact legislation that requires the Department of Health and Human Services to report on services provided by clubhouse program.

[2011-MGz-29](#)

APPENDIX

Copies of the proposed legislation begin on the following page.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

H/S

D

BILL DRAFT 2011-MGz-13* [v.5] (01/14)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/20/2011 1:15:08 PM**

Short Title: Report on Transfer of CAP-MR/DD UR to LMEs. (Public)

Sponsors: Representative Insko./Senator Nesbitt.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO
REPORT ON THE IMPLEMENTATION OF UTILIZATION REVIEW BY
DESIGNATED LOCAL MANAGEMENT ENTITIES FOR SERVICES PROVIDED
UNDER THE COMMUNITY ALTERNATIVES PROGRAM FOR PERSONS WITH
MENTAL RETARDATION OR DEVELOPMENTAL DISABILITIES, AS
RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON
MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE
SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. By September 1, 2012, the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services shall submit a report to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Fiscal Research Division, and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services on the implementation of utilization review by designated local management entities for services provided under the CAP-MR/DD Medicaid Waiver. The report shall include at least all of the following:

- (1) A comparison of the training, monitoring, and operating costs associated with (i) transferring the utilization review function to Crossroads Behavioral Health Center, Eastpointe, The Durham Center, and Pathways LME (the four designated LMEs) and (ii) maintaining the statewide vendor contract in effect for utilization review prior to the transfer of this function to the four designated LMEs.
- (2) Information on the number of CAP-MR/DD recipients who received utilization review services from the four designated LMEs between January 1, 2011, and January 1, 2012.
- (3) A description of the accountability measures used by the four designated LMEs to ensure the accuracy of utilization review decisions.

SECTION 2. This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

H/S

D

BILL DRAFT 2011-MGz-14* [v.3] (01/14)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/20/2011 1:36:25 PM**

Short Title: Apply for TBI Medicaid Waiver. (Public)

Sponsors: Representative Insko./Senator Nesbitt.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO
3 APPLY FOR A TRAUMATIC BRAIN INJURY MEDICAID WAIVER, AS
4 RECOMMENDED BY THE LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL
5 HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE
6 SERVICES.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** The Department of Health and Human Services, in consultation with
9 the North Carolina Traumatic Brain Injury Advisory Council, shall develop and apply to the
10 Centers for Medicare and Medicaid Services (CMS) for a 1915(c) waiver to permit persons
11 who sustain traumatic brain injuries to access home and community-based Medicaid services.
12 The Department shall not submit the application to CMS unless the General Assembly
13 identifies a source of funding sufficient to provide the match for this proposed waiver from
14 State appropriations earmarked for persons with traumatic brain injury. In determining the
15 number of slots and the slot allocation formula for this proposed waiver, the Department shall
16 consider the amount of funding identified by the General Assembly for this purpose.

17 **SECTION 2.** This act is effective when it becomes law.
18

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

S/H

D

BILL DRAFT 2011-MGz-15* [v.3] (1/18)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/27/2011 11:49:37 AM**

Short Title: Expand Inpatient Psychiatric Beds/Funds. (Public)

Sponsors: Senator Nesbitt./Representative Insko.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO APPROPRIATE ADDITIONAL FUNDS FOR THE EXPANSION OF LOCAL
INPATIENT PSYCHIATRIC BEDS OR BED DAYS, AS RECOMMENDED BY THE
LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH,
DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. There is appropriated from the General Fund to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, (Division) the sum of thirty-nine million one hundred twenty-one thousand six hundred forty-four dollars (\$39,121,644) for the 2011-2012 fiscal year for the purchase of fifty additional local inpatient psychiatric beds or bed days. These beds or bed days shall be distributed across the State in LME catchment areas and according to need as determined by the Department. The Department shall enter into contracts with the LMEs and community hospitals for the management of these beds or bed days. The Department shall work to ensure that these contracts are awarded equitably around all regions of the State. Local inpatient psychiatric beds or bed days shall be managed and controlled by the LME, including the determination of which local or State hospital the individual should be admitted to pursuant to an involuntary commitment order. Funds shall not be allocated to LMEs but shall be held in a statewide reserve at the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services to pay for services authorized by the LMEs and billed by the hospitals through the LMEs. LMEs shall remit claims for payment to the Division within 15 working days of receipt of a clean claim from the hospital and shall pay the hospital within 30 working days of receipt of payment from the Division. If the Department determines (i) that an LME is not effectively managing the beds or bed days for which it has responsibility, as evidenced by beds or bed days in the local hospital not being utilized while demand for services at the State psychiatric hospitals has not reduced, or (ii) the LME has failed to comply with the prompt payment provisions of this subsection, the Department may contract with another LME to manage the beds or bed days, or, notwithstanding any other provision of law to the contrary, may pay the hospital directly. The Department shall develop reporting requirements for LMEs regarding the utilization of the beds or bed days. Funds appropriated in this section for the purchase of local inpatient psychiatric beds or bed days shall be used to purchase additional beds or bed days not currently funded by or through LMEs and shall not be used to supplant other funds available or otherwise appropriated for the purchase of psychiatric inpatient

1 services under contract with community hospitals, including beds or bed days being purchased
2 through Hospital Utilization Pilot funds appropriated in S.L. 2007-323. Not later than March 1,
3 2011, the Department shall report to the House of Representatives Appropriations
4 Subcommittee on Health and Human Services, the Senate, the Joint Legislative Oversight
5 Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, and
6 the Fiscal Research Division on a uniform system for beds or bed days purchased (i) with local
7 funds, (ii) from existing State appropriations, (iii) under the Hospital Utilization Pilot, and (iv)
8 purchased using funds appropriated under this subsection.

9 **SECTION 2.** This act becomes effective July 1, 2011.

10

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

H/S

D

BILL DRAFT 2011-MGz-16* [v.3] (1/18)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/20/2011 2:37:23 PM**

Short Title: Evaluate Efficacy of CABHA Model. (Public)

Sponsors: Representative Insko./Senator Nesbitt.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO
EVALUATE AND REPORT SEMI-ANNUALLY ON THE EFFICACY OF THE
CRITICAL ACCESS BEHAVIORAL HEALTH AGENCY MODEL, AS
RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON
MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE
SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) By July 1, 2011, the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services (Division) shall report to the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services on the criteria and processes used by the Division to evaluate the fiscal, organizational and programmatic efficacy of implementing the Critical Access Behavioral Health Agency (CABHA) category of provider agency.

SECTION 1.(b) Beginning October 1, 2011, and every six months thereafter, the Division shall submit a report to the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services evaluating the fiscal, organizational, and programmatic efficacy of the CABHA category of provider agency using the criteria and processes identified by the Division in the report authorized by Section 1.(a) of this act.

SECTION 2. This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

S/H

D

BILL DRAFT 2011-MGz-19* [v.3] (01/19)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/27/2011 11:42:15 AM**

Short Title: Modify MHDDSAS Reporting Requirements. (Public)

Sponsors: Senator Nesbitt./Representative Insko.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO MODIFY DEPARTMENT OF HEALTH AND HUMAN SERVICES
REPORTING REQUIREMENTS PERTAINING TO MENTAL HEALTH,
DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES, AS
RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON
MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE
SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The Department of Health and Human Services shall submit the following reports to the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services:

- (1) By September 1, 2011, a report summarizing for the one-year period preceding the date of the report, the deaths of clients of a State facility that primarily provides services for the care, treatment, habilitation, or rehabilitation of individuals with a mental illness, developmental disability, or substance abuse disorder (State facility) and, if known, the deaths of former clients of a State facility whose deaths occurred within fourteen days of discharge from the State facility.
- (2) Beginning January 1, 2011, and annually thereafter, a report on a strategic plan for organizing State and local resources to fund services provided to individuals with a mental illness, developmental disability, or substance abuse disorder. The report shall include criteria for the allocation of funds, guidelines for utilization of funds, restrictions on use of funds, and a list of expenditures.

SECTION 1.(b) G.S. 143C-9-2(d) reads as rewritten:

"(d) Beginning ~~July 1, 2007,~~ October 1, 2011, the Secretary of the Department of Health and Human Services shall report annually to the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services and the Fiscal Research Division on the balance of the Trust Fund and the expenditures made during the preceding fiscal year from the Trust Fund. The report shall identify each expenditure by recipient and purpose and shall indicate the authority under subsection (b) of this section for the expenditure."

SECTION 1.(c) G.S. 10.19A(c) of S.L. 2009-451 reads as rewritten:

1 **"SECTION 10.19A.(d)** The Department of Health and Human Services, Division of
2 Mental Health, Developmental Disabilities, and Substance Abuse Services, shall require
3 quarterly reporting from LMEs in the format required under subsection (a) of this section. The
4 Department of Health and Human Services shall report the results of the quarterly reports to the
5 Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and
6 Substance Abuse Services, the House of Representatives Appropriations Subcommittee on
7 Health and Human Services, the Senate Appropriations Committee on Health and Human
8 Services, and the Fiscal Research Division on or before ~~May 1, 2010~~May 1, 2011, and
9 annually thereafter."

10 **SECTION 1.(e)** G. S. 122C-102(c) reads as rewritten:

11 "(c) State Performance Measures. – The State Plan shall also include a mechanism for
12 measuring the State's progress towards increased performance on the following matters: access
13 to services, consumer-focused outcomes, individualized planning and supports, promotion of
14 best practices, quality management systems, system efficiency and effectiveness, ~~and~~
15 ~~prevention and early intervention. Beginning October 1, 2006, equitable allocation of~~
16 resources, prevention and early intervention, statewide system of crisis response for adults and
17 children, and management of the utilization of State facilities. Beginning January 1, 2012, and
18 every six months thereafter, the Secretary shall report to the General Assembly and the Joint
19 Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance
20 Abuse Services, on the State's progress in these performance areas."

21 **SECTION 2.** This act is effective when it becomes law.
22

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H/S

D

BILL DRAFT 2011-MGz-18* [v.5] (1/18)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/25/2011 10:01:01 AM**

Short Title: Allow Expansion of Capitated Waiver. (Public)

Sponsors: Representative Insko./Senator Nesbitt.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO ALLOW THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO
EXPAND THE CAPITATED 1915(B)/(C) MEDICAID WAIVER TO ADDITIONAL
LOCAL MANAGEMENT ENTITY CATCHMENT AREAS, AS RECOMMENDED BY
THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH,
DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding any law to the contrary, the Department of Health and Human Services may expand the capitated 1915(b)/(c) Medicaid waiver to any additional local management entity catchment area upon demonstrating to the satisfaction of the General Assembly that the expansion (i) is allowable under Medicaid (ii) will result in savings to the State and (iii) will provide outcomes equal to or better than those that could be achieved without the proposed expansion.

SECTION 2. This act is effective when it becomes law.

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S/H

D

BILL DRAFT 2011-MGz-17* [v.5] (1/18)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/20/2011 5:29:14 PM**

Short Title: Report on MH Services Provided by Hosp. ER's. (Public)

Sponsors: Senator Nesbitt./Representative Insko.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO
REPORT ON THE UTILIZATION OF HOSPITAL EMERGENCY DEPARTMENTS BY
INDIVIDUALS DIAGNOSED WITH MENTAL ILLNESS AND TO DEVELOP A
COMPREHENSIVE PLAN FOR REDUCING THE LENGTH OF STAYS FOR
INDIVIDUALS WITH MENTAL ILLNESS ADMITTED TO HOSPITAL EMERGENCY
DEPARTMENTS, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT
COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND
SUBSTANCE ABUSE SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. By September 1, 2011, the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services shall submit a report on the utilization of hospital emergency departments by individuals with mental illness to the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. The report shall include a comprehensive statewide analysis of the number of times between January 1, 2011, and June 30, 2011, individuals diagnosed with a mental illness utilized hospital emergency departments, broken down by geographic location, average length of stay, and range in lengths of stay. The report shall also include a comprehensive plan for reducing the length of stays for individuals with mental illness admitted to hospital emergency departments.

SECTION 2. This act is effective when it becomes law.

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D

BILL DRAFT 2011-MGz-23* [v.6] (01/20)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/27/2011 3:00:46 PM**

Short Title: Develop Plan for Allocating DD Resources. (Public)

Sponsors: Representative Insko./Senator Nesbitt.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO
DEVELOP A COMPREHENSIVE STATEWIDE PLAN FOR THE FAIR AND
EQUITABLE ALLOCATION OF RESOURCES FOR INDIVIDUALS WITH
DEVELOPMENTAL DISABILITIES; TO REPORT ON IMPLEMENTATION OF THE
PLAN; AND TO APPLY FOR RENEWAL OF THE CAP-MR/DD WAIVER, AS
RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON
MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE
SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) By July 1, 2011, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall develop and submit to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Fiscal Research Division, and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services a comprehensive statewide plan for the fair and equitable allocation of resources for all individuals eligible for developmental disability services. The plan shall contain all of the following:

- (1) A resource allocation model based on the results of the Supports Intensity Scale (SIS) or another standardized, reliable, and valid assessment tool for the determination of intensity of need. The plan for administration of the selected assessment tool must (i) require qualified persons who are not engaged in the delivery of any developmental disability services to administer the selected assessment tool and (ii) include operational guidelines for quality assurance and reliability in the administration of the assessment.
- (2) A standardized formula for the use of the results of the SIS or other assessment tool data to determine eligibility for type, degree, and array of services, including services provided through State developmental centers and private ICF-MR facilities.

SECTION 1.(b) The Department shall begin implementing the comprehensive statewide plan developed pursuant to Section 1.(a) of this act by January 1, 2012, and shall achieve full implementation of the plan by July 1, 2013. Beginning October 1, 2011, and every

1 six months thereafter, the Department shall report to the House of Representatives
2 Appropriations Subcommittee on Health and Human Services, the Senate Appropriations
3 Committee on Health and Human Services, the Fiscal Research Division, and the Joint
4 Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance
5 Abuse Services on the implementation status of the comprehensive statewide plan developed
6 pursuant to Section 1.(a) of this section.

7 **SECTION 1.(c)** The Department of Health and Human Services shall renew the
8 CAP-MR/DD Waiver with the two tiers currently in operation. Subject to approval by the Joint
9 Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance
10 Abuse Services (LOC), the Department may apply to the Centers for Medicare and Medicaid
11 Services (CMS) to add additional tiers to the CAP-MR/DD Waiver.

12 **SECTION 2.** This act is effective when it becomes law.
13

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D

BILL DRAFT 2011-MGz-24* [v.3] (01/20)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/27/2011 12:09:56 PM**

Short Title: Evaluate DD Residential Options for Children. (Public)

Sponsors: Senator Nesbitt./Representative Insko.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO
3 EVALUATE AND REPORT ON RESIDENTIAL PLACEMENT OPTIONS FOR
4 YOUNG CHILDREN WITH DEVELOPMENTAL DISABILITIES, AS
5 RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON
6 MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE
7 SERVICES.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** The Department of Health and Human Services, Division of Mental
10 Health, Developmental Disabilities, and Substance Abuse Services, shall conduct a
11 comprehensive review of current congregate residential placements for children from birth to
12 six years of age who have a developmental delay, intellectual disability, or developmental
13 disability. The review shall include newly transferred Developmental Day Center ICF-MR
14 beds. By September 1, 2011, the Division shall submit a report of its findings to the Joint
15 Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance
16 Abuse Services. The report shall include an overview of all services available for this
17 population of children (i) through age six and (ii) after age six.

18 **SECTION 2.** This act is effective when it becomes law.
19

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D

BILL DRAFT 2011-MGz-25* [v.5] (01/20)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/25/2011 4:18:56 PM**

Short Title: Revise DD Waiting List Process. (Public)

Sponsors: Representative Insko./Senator Nesbitt.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO
STUDY AND REPORT ON A REVISED PROCESS FOR COLLECTING DATA TO
DEVELOP A WAITING LIST OF PERSONS WITH INTELLECTUAL OR
DEVELOPMENTAL DISABILITIES, AS RECOMMENDED BY THE JOINT
LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH,
DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) By September 1, 2011, the Department of Health and Human Services (Department) shall study and submit a report to the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services on a revised process for collecting data to develop a waiting list of persons with intellectual or developmental disabilities that are waiting for specific services. The revised process shall ensure all of the following:

- (1) A simple, non-duplicated count of children and adults with intellectual or developmental disabilities across the State who are waiting for federally and State-funded services.
- (2) A research-based waiting list supported by data that accurately reflects the number of individuals waiting for categories of services currently available in this State.
- (3) Data showing the number of individuals who are potentially eligible to receive services under the CAP-MR/DD Waiver.

SECTION 1.(b) Beginning September 30, 2012, and annually thereafter, the Department shall submit a report to the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services on the waiting list data collected from each local management entity (LME). The report shall include (i) an analysis of any service gaps revealed by the data, broken down by geographic location, age, and disability and (ii) plans to address these service gaps.

SECTION 2. This act is effective when it becomes law.

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BILL DRAFT 2011-MGz-26* [v.5] (01/20)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/27/2011 1:18:37 PM**

Short Title: Funds for Step-Down Unit for BART Program. (Public)

Sponsors: Senator Nesbitt./Representative Insko.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO
IDENTIFY AND REPORT ON FUNDING AVAILABLE FOR THE ESTABLISHMENT
OF A STEP-DOWN UNIT FOR THE BEHAVIORALLY ADVANCED RESIDENTIAL
TREATMENT PROGRAM, AS RECOMMENDED BY THE JOINT LEGISLATIVE
OVERSIGHT COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL
DISABILITIES, AND SUBSTANCE ABUSE SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (Division), in consultation with the leadership and advisory committee of the Murdoch Developmental Center, shall identify funding sources available to establish a unit providing step down services from the Behaviorally Advanced Residential Treatment (BART) Program. By October 1, 2011, and quarterly thereafter until a BART step-down unit is established, the Division shall report to the Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services on the progress towards identifying funding for, and establishing, the step-down unit.

SECTION 2. This act is effective when it becomes law.

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S/H

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BILL DRAFT 2011-MGz-27* [v.3] (01/20)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/25/2011 4:18:05 PM**

Short Title: Evidence-Based Pract. in Psych. Hospitals. (Public)

Sponsors: Senator Nesbitt./Representative Insko.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO
REPORT ON THE PROGRESS TOWARDS IMPLEMENTING AND UTILIZING
UNIFORM EVIDENCE-BASED PRACTICES ACROSS ALL STATE PSYCHIATRIC
HOSPITALS, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT
COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND
SUBSTANCE ABUSE SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. By September 1, 2011, and annually thereafter, the Department of Health and Human Services shall report to the Senate Appropriations Subcommittee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services on the progress achieved in implementing and utilizing uniform evidence-based practices across all State psychiatric hospitals.

SECTION 2. This act is effective when it becomes law.

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S/H

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BILL DRAFT 2011-MGz-29* [v.1] (01/25)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/25/2011 5:40:47 PM**

Short Title: Report on NC Clubhouse Programs. (Public)

Sponsors: Senator Nesbitt./Representative Insko.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO
REPORT ON THE SERVICES PROVIDED BY CLUBHOUSE PROGRAMS IN THIS
STATE, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT
COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND
SUBSTANCE ABUSE SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. By September 1, 2011, the Department of Health and Human Services shall submit a report on this State's Clubhouse Programs to the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. The report shall include all of the following:

- (1) A description of the types of Clubhouse Programs available in this State.
- (2) The specific services available in each type of Clubhouse Program available in this State.
- (3) The actual cost of services provided by each type of Clubhouse Program available in this State.
- (4) The current reimbursement rate for services provided by Clubhouse Programs available in this State.

SECTION 2. This act is effective when it becomes law.

